

# Group Term Life Insurance Coverage

## Opportunity for State of Indiana Employees

### *Life Insurance Coverages offered by American United Life Insurance Company®(AUL)*

#### **Why do you need group life insurance coverage? If you were to die, would your surviving dependents be able to meet these financial obligations?**

- Mortgage or rent
- Debt liquidation: Credit card balances and/or installment loans
- Education costs for your children
- On-going expenses including childcare, food, clothing, utilities
- Immediate financial obligations: Burial expenses, taxes, medical expenses, and legal fees

#### **Many working Americans today are under-insured...**

- Three in 10 employed individuals in the U.S. rely solely on group life insurance for their coverage needs.<sup>1</sup>
- Twenty-two percent of families with dependent children admit they will have immediate trouble meeting everyday living expenses, and another 26 percent can cover expenses for only a few months if a primary wage earner dies.<sup>2</sup>
- On average, households saying they need more insurance own enough life insurance to replace their income for 2.8 years, but thought they should have enough to cover six years of income.<sup>3</sup>

#### **What can AUL's Group Term Life Insurance coverage offer?**

- Affordable life insurance coverage for eligible employees and their dependents
- Continuation of insurance options for events such as temporary layoff or leave of absence
- Accelerated Life Benefits (ALB) for eligible insureds and their eligible spouses.

#### **How much life insurance do you need?**

- Applicants make the decision based on the amount of premium they want deducted from their paycheck and the maximum amount of coverage offered

#### **How do eligible employees apply?**

Eligible full-time State of Indiana employees may apply for coverage under the group life insurance policy. All applications must be completed and submitted within the employee's initial enrollment period established for the employee's agency, using the State of Indiana's electronic enrollment system.

If employees do not apply for coverage during their initial enrollment period, but wish to apply at a later date, they will be required to first submit evidence of insurability, undergo medical underwriting prior, and receive AUL's written approval prior to receiving coverage.

**Please note:** Basic life insurance coverage is a prerequisite for approval of supplemental life insurance coverage. Basic life insurance and supplemental life insurance coverages are prerequisites for approval of dependent life insurance coverage.

Please contact the Benefits Coordinator within your agency for assistance with the application process. For complete terms and conditions, a copy of the contracts being offered can be reviewed at <http://www.in.gov/spd/2337.htm>.

**For information, please contact:  
American United Life Insurance Company  
State of Indiana Unit  
OneAmerican Square, P.O. Box 368  
Indianapolis, IN 46206-0368  
1-800-673-3216**

<sup>1</sup> LIMRA International. "Group Life Insurance: Factors Affecting Industry Prospects." May 2006. <http://www.limra.com/members/abstracts/reports/5315.pdf>

<sup>2</sup> Facts from LIMRA International. September 2007.

<sup>3</sup> Facts from LIMRA International. September 2006

*Products and financial services provided by*

**AMERICAN UNITED LIFE INSURANCE COMPANY® | a ONEAMERICA® company**

One American Square, P.O. Box 368 | Indianapolis, IN 46206-0368 | (317) 285-1877 | [www.oneamerica.com](http://www.oneamerica.com)

**Basic Life and Accidental Death & Dismemberment (AD&D) Insurance Coverage Features**

Basic Life and AD&D Insurance coverages are being offered to eligible full-time State of Indiana employees.

The amount of basic life and AD&D insurance coverage is equal to an employee’s annual salary rounded up to the next \$1,000 multiplied by 150%. The amount of coverage will change automatically according to changes in an employee’s salary.

**Basic Life and AD&D Insurance Premium:**

Both the State of Indiana and employee share the premium cost for basic life and AD&D insurance. The bi-weekly premium rate for basic life and AD&D insurance is \$0.103 per one thousand of rounded annual salary. The monthly premium rate is \$0.149 per one thousand of coverage. The appropriate amount of premium will be deducted from the applicant’s paycheck and will be shown on the applicant’s payroll statements.

**Supplemental Life Insurance Coverage Features**

Supplemental life insurance is available to eligible full-time State of Indiana employees. Individuals must first be eligible and apply for basic life insurance coverage in order to apply and be approved for supplemental life insurance.

Employees may apply for supplemental life insurance coverage in increments of \$10,000 up to a maximum of \$150,000. Upon reaching age 65, any amount of coverage in excess of \$100,000 will automatically reduce to \$100,000.

**Supplemental Life Insurance Premium:**

Employees are responsible for paying 100% of the premium for supplemental life insurance. The premium for supplemental life insurance will increase as the employee enters the next age bracket. The supplemental life insurance premium rates per \$10,000 of coverage are being offered as follows:

**Supplemental Life Insurance Premium rates**

Per \$10,000 of coverage:					
Age	Bi-weekly Premium Rate	Monthly Premium Rate <sup>4</sup>	Age	Bi-weekly Premium Rate	Monthly Premium Rate <sup>4</sup>
18 to 29	\$0.49	\$1.05	50 to 54	\$1.94	\$4.20
30 to 39	\$0.49	\$1.05	55 to 59	\$3.10	\$6.73
40 to 44	\$0.78	\$1.68	60 to 64	\$4.46	\$9.67
45 to 49	\$1.26	\$2.73	65 & over <sup>5</sup>	\$7.18	\$15.55

Charts reflecting the premium costs for coverage amounts being offered in \$10,000 increments are attached. The appropriate amount of premium will be deducted from the applicant’s paycheck and will be shown on the applicant’s payroll statements.

<sup>4</sup> For agencies billed directly by AUL.  
<sup>5</sup> Maximum of \$100,000 in coverage offered to employees age 65 and over.

### Dependent Life Insurance

Life insurance coverage for eligible dependents is available to eligible full-time State of Indiana employees. Individuals must first select basic and supplemental life insurance in order to apply and be approved for dependent life insurance.

#### **Definition of Dependent:**

In order for an employee to apply and be approved for dependent life insurance, the dependent must satisfy the following definition beginning 1/1/2011:

“DEPENDENT” means:

- A Person's legal spouse.
- A Person's unmarried child, step-child, foster child, or adopted child of the Person or the Person's spouse, or any other child who resides in the Person's home for whom the Person or spouse has been appointed legal guardian under the age of 26. A Person's child shall remain a Dependent until the day the child attains age 26.

- A Person's unmarried child who is incapable of self-sustaining employment as a result of mental or physical disability and is chiefly dependent upon the Person for support and maintenance. The child must have been incapacitated prior to age 19. Extension of coverage is subject to AUL's receiving written proof of the incapacity not later than 120 days after the maximum age is attained. A Person's unmarried child, who attained age 19 and who met the disability criteria specified above, while covered under an eligible Health Care Policy, is also eligible to enroll for Dependent Life Insurance if proof of disability and coverage under an eligible Health Care Policy is submitted to AUL. A break in coverage under the eligible Health Care Policy cannot be for more than 63 days immediately prior to enrollment for the Dependent Life Insurance under this policy. Coverage for such child will continue until the Person discontinues his coverage or the disability no longer exists. Proof of continued incapacity shall be required not more than once each year thereafter.

### Dependent Life Insurance Options

Employees may only apply for one of the following coverages for eligible dependent(s):

Option	Spouse Only	Child(ren) Only	Spouse and Child(ren)
A	\$5,000	\$5,000	\$5,000 each
B	\$10,000	\$10,000	\$10,000 each
C	\$15,000	\$15,000	\$15,000 each

**Offered during the 2011 Annual Enrollment Only:** All dependents whose coverage terminated due to the attainment of age 19 (or age 23 if a full-time student) prior to 12/31/2010 may apply for the dependent life insurance without submitting evidence of insurability. These requests for coverage must be submitted via the State of Indiana's electronic enrollment system and during the 2011 annual enrollment period.

Requests for dependent life insurance for dependents previously declined for coverage or not enrolled within their initial enrollment period will require evidence of insurability and medical underwriting prior to coverage beginning.

## Dependent Life Insurance Premium

Employees are responsible for 100% of the premium for dependent life insurance coverage. The premium rates for dependent life insurance coverage are being offered as follows:

Option	Spouse Only	Biweekly Premium Rate	Monthly Premium Rate <sup>4</sup>
A	\$5,000	\$0.72	\$1.56
B	\$10,000	\$1.44	\$3.12
C	\$15,000	\$2.16	\$4.68
Option	Child(ren) Only	Biweekly Premium Rate	Monthly Premium Rate <sup>4</sup>
A	\$5,000	\$0.45	\$0.98
B	\$10,000	\$0.90	\$1.95
C	\$15,000	\$1.35	\$2.93
Option	Spouse and Child(ren) Benefit	Biweekly Premium Rate	Monthly Premium Rate <sup>4</sup>
A	\$5,000	\$1.00	\$2.17
B	\$10,000	\$2.00	\$4.33
C	\$15,000	\$3.00	\$6.50

**Offered during the 2011 Annual Enrollment Only:** All dependents whose coverage terminated due to the attainment of age 19 (or age 23 if a full-time student) prior to 12/31/2010 may apply for the dependent life insurance without submitting evidence of insurability. These requests for coverage must be submitted via the State of Indiana's electronic enrollment system and during the 2011 annual enrollment period.

Requests for dependent life insurance for dependents previously declined for coverage or not enrolled within their initial enrollment period will require evidence of insurability and medical underwriting prior to coverage beginning.

## Coverage Features

### ***Suicide Exclusion Clause:***

If a person commits suicide, while sane or insane, (1) within two (2) years from the effective date of Personal Insurance with AUL, the amount of benefits payable will be limited to the premiums paid under AUL's policy for the Person; or (2) two (2) or more years after the effective date of Personal Insurance with AUL, but within two (2) years of the effective date of an increase in the amount of coverage, the amount of benefits payable will be limited to the coverage in effect under AUL's policy prior to the effective date of the increase, if any, plus the premiums paid for the increased coverage.

### ***Accelerated Life Benefit:***

**Employee** – If eligible for this benefit, insureds may apply for payment of 25%, 50% or 75% of the amount of any basic life coverage and supplemental life coverage.

This benefit is available on a Life Amount of \$10,000 or more. The maximum payment is limited to 25%, 50% or 75% of the amount of life coverage or \$250,000, whichever is less.

**Spouse** – If the amount of dependent spouse coverage is \$15,000.00 and the insured's spouse is eligible for this benefit, the insured employee may apply for payment of 25%, 50% or 75% of the amount of dependent life coverage. This benefit is available only on the dependent spouse coverage of \$15,000.

<sup>4</sup> For agencies billed directly by AUL.

**Conversion and Transfer of Coverage Options:**

If group basic, supplemental and dependent life insurance coverage or a portion of it ceases, insureds may be entitled to apply for an individual life insurance contract currently offered by AUL.

If an insured's supplemental life insurance coverage terminates due to termination of employment and the insured is under age 70, the insured may transfer any personal insurance existing under the supplemental life insurance policy to another group life insurance policy offered by AUL. **NOTE: The transfer of coverage privilege does not apply to and is not an option under basic or dependent life insurance coverage.**

For further information and complete terms and conditions, insureds can contact AUL or review their group life insurance contract for details as to eligibility and how to apply for these options. A copy of the contract can be reviewed at <http://www.in.gov/spd/2337.htm>

**Beneficiary Designations:**

It is imperative and helps avoid payment delays if clear, understandable beneficiary designations are supplied to AUL. Sample beneficiary designations can be reviewed at [www.employeenefits.aul.com](http://www.employeenefits.aul.com). After reaching that site:

- Click on "Forms & Tools".
- Go to the "Find Forms by Category" and click on the drop down box.
- Select "State of Indiana Policyholders Only" and click on the "Search" button.
- Click on "Beneficiary Designation Sample".

**Please note:** Insureds are not able to designate a beneficiary for the dependent life insurance coverage since the employee is the beneficiary for dependent life insurance coverage.

**Customer Service:**

If you should have any questions or require additional information, feel free to contact an AUL representative at 1-800-673-3216.

Some forms are available on our website at [www.employeenefits.aul.com](http://www.employeenefits.aul.com). In order to access the forms:

- Click on "Forms and Tools".
- Go to the "Find Forms by Category" and click on the drop down box.
- Select "State of Indiana Policyholders Only" and click on the "Search" button.
- Click on the required form.

## State of Indiana Supplemental Life Insurance Premium Rates

Monthly rates based upon \$10,000 increments<sup>4</sup>

Amount of Coverage	Age							
	18 to 29	30 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65+
\$10,000	\$1.05	\$1.05	\$1.68	\$2.73	\$4.20	\$6.73	\$9.67	\$15.55
\$20,000	\$2.10	\$2.10	\$3.36	\$5.46	\$8.40	\$13.46	\$19.34	\$31.10
\$30,000	\$3.15	\$3.15	\$5.04	\$8.19	\$12.60	\$20.19	\$29.01	\$46.65
\$40,000	\$4.20	\$4.20	\$6.72	\$10.92	\$16.80	\$26.92	\$38.68	\$62.20
\$50,000	\$5.25	\$5.25	\$8.40	\$13.65	\$21.00	\$33.65	\$48.35	\$77.75
\$60,000	\$6.30	\$6.30	\$10.08	\$16.38	\$25.20	\$40.38	\$58.02	\$93.30
\$70,000	\$7.35	\$7.35	\$11.76	\$19.11	\$29.40	\$47.11	\$67.69	\$108.85
\$80,000	\$8.40	\$8.40	\$13.44	\$21.84	\$33.60	\$53.84	\$77.36	\$124.40
\$90,000	\$9.45	\$9.45	\$15.12	\$24.57	\$37.80	\$60.57	\$87.03	\$139.95
\$100,000	\$10.50	\$10.50	\$16.80	\$27.30	\$42.00	\$67.30	\$96.70	\$155.50
\$110,000	\$11.55	\$11.55	\$18.48	\$30.03	\$46.20	\$74.03	\$106.37	N/A
\$120,000	\$12.60	\$12.60	\$20.16	\$32.76	\$50.40	\$80.76	\$116.04	N/A
\$130,000	\$13.65	\$13.65	\$21.84	\$35.49	\$54.60	\$87.49	\$125.71	N/A
\$140,000	\$14.70	\$14.70	\$23.52	\$38.22	\$58.80	\$94.22	\$135.38	N/A
\$150,000	\$15.75	\$15.75	\$25.20	\$40.95	\$63.00	\$100.95	\$145.05	N/A

If employees wish to apply for dependent life insurance, the employee must select one of these options and correctly identify each dependent that will be insured.

## State of Indiana Dependent Life Insurance Premium Rates

Option	Spouse Only	Monthly Premium Rate <sup>4</sup>
A	\$5,000	\$1.56
B	\$10,000	\$3.12
C	\$15,000	\$4.68
Option	Child(ren) Only	Monthly Premium Rate <sup>4</sup>
A	\$5,000	\$0.98
B	\$10,000	\$1.95
C	\$15,000	\$2.93
Option	Spouse and Child(ren) Coverage	Monthly Premium Rate <sup>4</sup>
A	\$5,000 each	\$2.17
B	\$10,000 each	\$4.33
C	\$15,000 each	\$6.50

<sup>4</sup> For agencies billed directly by AUL.

State of Indiana Supplemental Life Insurance Premium Rates

Bi-weekly rates based upon \$10,000 increments								
Amount of Coverage	Age							
	18 to 29	30 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65+
\$10,000	\$0.49	\$0.49	\$0.78	\$1.26	\$1.94	\$3.10	\$4.46	\$7.18
\$20,000	\$0.98	\$0.98	\$1.56	\$2.52	\$3.88	\$6.20	\$8.92	\$14.36
\$30,000	\$1.47	\$1.47	\$2.34	\$3.78	\$5.82	\$9.30	\$13.38	\$21.54
\$40,000	\$1.96	\$1.96	\$3.12	\$5.04	\$7.76	\$12.40	\$17.84	\$28.72
\$50,000	\$2.45	\$2.45	\$3.90	\$6.30	\$9.70	\$15.50	\$22.30	\$35.90
\$60,000	\$2.94	\$2.94	\$4.68	\$7.56	\$11.64	\$18.60	\$26.76	\$43.08
\$70,000	\$3.43	\$3.43	\$5.46	\$8.82	\$13.58	\$21.70	\$31.22	\$50.26
\$80,000	\$3.92	\$3.92	\$6.24	\$10.08	\$15.52	\$24.80	\$35.68	\$57.44
\$90,000	\$4.41	\$4.41	\$7.02	\$11.34	\$17.49	\$27.90	\$40.14	\$64.62
\$100,000	\$4.90	\$4.90	\$7.80	\$12.60	\$19.40	\$31.00	\$44.60	\$71.80
\$110,000	\$5.39	\$5.39	\$8.58	\$13.86	\$21.34	\$34.10	\$49.06	N/A
\$120,000	\$5.88	\$5.88	\$9.36	\$15.12	\$23.28	\$37.20	\$53.52	N/A
\$130,000	\$6.37	\$6.37	\$10.14	\$16.38	\$25.22	\$40.30	\$57.98	N/A
\$140,000	\$6.86	\$6.86	\$10.92	\$17.64	\$27.16	\$43.40	\$62.44	N/A
\$150,000	\$7.35	\$7.35	\$11.70	\$18.90	\$29.10	\$46.50	\$66.90	N/A

State of Indiana Dependent Life Insurance Premium Rates

Option	Spouse Only	Bi-weekly Premium Rate
A	\$5,000	\$0.72
B	\$10,000	\$1.44
C	\$15,000	\$2.16
Option	Child(ren) Only	Bi-weekly Premium Rate
A	\$5,000	\$0.45
B	\$10,000	\$0.90
C	\$15,000	\$1.35
Option	Spouse and Child(ren) Coverage	Bi-weekly Premium Rate
A	\$5,000 each	\$1.00
B	\$10,000 each	\$2.00
C	\$15,000 each	\$3.00

**Notes:** This invitation to inquire allows interested, eligible State of Indiana employees an opportunity to inquire further about group life insurance coverage and is limited in its description of the losses for which benefits may be payable. The contract has exclusions, limitations, reduction of benefits, and terms under which the contract may be continued in force or discontinued. The contract may contain a waiting or elimination period between the effective date of the contract and the effective date of coverage, and a time period between the date a loss occurs and the date benefits begin to be payable for the loss.

If a choice of the amount of benefits is offered, the amount of benefits provided depends upon the coverage selected and premiums can vary with the amount of benefits selected. If a range of benefit levels is present, the applicant is only entitled to the benefit level shown in the contract.

Actual premiums will be calculated by AUL. Premium rates do increase upon reaching certain age brackets, according to contract terms, and are subject to change.

Premium payments greater than the amount of premium owed to AUL will not result in additional coverage under AUL's contract. If premium deductions were taken for any coverage not previously approved by AUL, a refund of any earned premiums should be requested from your agency. Future payments will also not result in coverage not previously approved by AUL.

Any payable benefit is based on a percentage of an employee's covered earnings subject to AUL's approval, contract maximums, contract reductions, and according to contract terms and conditions.